

# 2005 Annual Report Nevada



Committed to the future of rural communities.

## United States Department of Agriculture Rural Development 2005 Nevada Annual Report

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**Committed to the future of rural communities.**



Photos: Top row left to right - Winnemucca multi-family housing complex; Overton single-family housing; Pershing General Hospital Annex; Bottom row left to right - Larry Smith, State Director, USDA Rural Development and Kaylynn Romans, Arborwood Apartments, Multi-Family Housing 2004 Site Manager of the Year; North Lyon County Fire Protection District; Pahrump single-family housing.

## United States Department of Agriculture Secretary Mike Johanns



On May 11, 2005, USDA Rural Development celebrated 70 years of service to America. Much has changed since 1935 when the crisis was the Depression, our mission was agricultural stabilization, and the cutting edge was rural electrification. Today, rural America is dynamic and diversified; the cutting edge is broadband and renewable energy. Our Rural Development mission is increasing economic opportunity and improving the quality of life in rural America. But from 1935 through today, one thing has remained constant: the commitment of the men and women of USDA Rural Development to the future of rural communities.

That commitment was demonstrated in dramatic form by the response of Rural Development to the unprecedented series of hurricanes that slammed into the Gulf Coast in the late summer and autumn of 2005. Hurricane Katrina -- the most destructive storm ever to hit the United States in terms of property damage, though fortunately not in loss of life -- was followed in rapid succession by Rita and Wilma. The damage was immense; the loss of life, heavy. Outside of New Orleans and Biloxi, most of the devastated areas were rural.

Rural Development personnel -- including many who had lost their own homes -- worked around the clock to staff recovery centers and provide shelter. They worked with our Federal, State, local and nonprofit partners to repair water, telecommunications, and electrical systems. By mid November, more than 9,700 evacuees had been housed in Rural Development-funded units in 42 States. And in the months and years ahead, Rural Development will play an important role in rebuilding housing, community facilities, and infrastructure throughout the disaster area.

This is merely one example, although a dramatic one, of the vital work Rural Development is doing each and every day across rural America. Since the beginning of the Bush Administration, Rural Development has invested more than \$63 billion and created or saved more than 1.1 million jobs in rural communities. We have assisted almost a quarter of a million rural families to achieve the dream of homeownership and invested almost \$5 billion in our business programs alone.

The future holds challenges, but it also holds great promise. As you plan for the future, USDA Rural Development is here to support you and your community. We are locally based; as your neighbors, our employees are rooted in your communities and share your values and concerns, just as we have since 1935. We are proud of Rural Development's record of achievement throughout the past 70 years and we look forward to working with you to bring increased opportunities to Nevada as we work together to build an even stronger rural America.



## United States Department of Agriculture Under Secretary for Rural Development Thomas C. Dorr



The face of rural America continues to change, and USDA Rural Development is changing with it. No longer the “lender of last resort,” we are rural America’s investment bank, a venture capital entity that creates jobs, promotes business development, and provides community facilities and affordable housing. Our goal is to build viable and sustainable rural communities.

In each of the last five years, the Bush Administration has invested about \$13 billion in rural America. Rural Development has provided housing, water and sewer funds, hundreds of millions of dollars in business loan guarantees, telecommunications and electricity loans and grants. Public safety buildings, rescue equipment, libraries, town halls and access to broadband have all been made possible through the efforts of Rural Development.

One of the biggest challenges facing our nation is the need for renewable energy. In our ongoing effort to promote development of new energy sources, USDA Rural Development in 2005 funded 154 renewable energy grants and two renewable energy loans totaling \$32.3 million. Additionally, through the Value-Added Producer Grant program, Rural Development provided \$2.8

million for 30 more energy related projects. From wood fired generating plants to wind turbines, biofuel production and anaerobic digesters, USDA Rural Development is financing new sources of renewable energy while offering farmers and ranchers a potential new source of income.

At Rural Development we are working to ensure that all Americans have access to the technological revolution sweeping the nation. Imagine that in 2005, Rural Development made a loan to an isolated area in Michigan that will provide 309 residential customers, 18 businesses and 290 gas well subscribers with telecommunications services for the first time and imagine that the isolated town of Hughes, Alaska will become an Internet “hot spot” thanks to new service funded through a Rural Development grant.

What makes all this happen are the USDA Rural Development employees. The incredible job our employees did to provide aid to the victims of Hurricanes Katrina, Rita and Wilma was amazing. Working with our Federal, State and local partners, Rural Development found housing for thousands of evacuees, staffed over 80 recovery centers, handled thousands of calls and met face to face with thousands of victims. I’m proud of the job our employees do every day. They’re highly skilled, dedicated, and truly “Committed to the Future of Rural Communities.”

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To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider, employer, and lender."

## United States Department of Agriculture Rural Development State Director's Message



Nevada Rural Summit - June 28, 2005  
(Left-Right) Keyth Durham, Chairman, Nevada Rural Development Council, Gilbert Gonzalez, Former Acting Under Secretary for USDA Rural Development, and Larry Smith, State Director for USDA Rural Development.

It is a pleasure to present the Nevada Rural Development Annual Report for Fiscal Year 2005. Our Rural Development Nevada staff daily strives to improve what we do in order to better the living conditions in rural Nevada, and our efforts are truly making a significant difference. We are proud of our accomplishments, which are chronicled in the following pages.

Realizing that many believe that Rural Development and its programs are some of the best kept secrets, we have worked diligently to build capacity and inform others of our programs and services through marketing and outreach efforts. We at Rural Development are committed to informing our rural population of the opportunities that are available through the use of our programs and services.

While there have been many accomplishments and individual success stories that could be told, a few are particularly noteworthy. During Fiscal Year 2005, we were able to participate in providing financial assistance that enabled the construction of the long dreamed of Desert View Regional Medical Center in Pahrump; one of the fastest growing communities in the nation. This was the largest loan guarantee approved by USDA Rural Development in Nevada. We are also pleased to report that our efforts to address the lack of affordable housing yielded results with the approval of loan guarantees for the construction of two multi-family housing complexes in rural Nevada. Additionally, we recorded a first with the approval of a Broadband loan to the Lincoln County Telephone Company that will serve existing and new customers.

Not reflected in this report are the leveraged funds obtained from our partner organizations. Their assistance as well as the continued support of our Congressional delegation are deeply appreciated and vital to a prosperous rural Nevada.

Please take the time to read further and learn how our wide array of programs and services have helped to improve the quality of life for many rural residents, communities and organizations that call rural Nevada home.

**LARRY J. SMITH**  
State Director

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Business and Cooperative Programs • Housing Programs  
Community Facility Programs • Community Programs

Committed to the future of rural communities.

## USDA Rural Development Business and Cooperative Programs



February 7, 2006 - (Far Right) Under Secretary for Rural Development Thomas Dorr and (left-right) Joel Aas, Chief Financial Officer, Desert View Regional Medical Center and Roy Barraclough, Project Administrator, Rural Health Management Corporation (RHMC) standing in front of the soon to be completed Desert View Regional Medical Center in Pahrump.

USDA Rural Development guaranteed a business loan in the amount of \$17.5 million for construction of the hospital. The commercial lender for the guaranteed loan is Zions First National Bank of Salt Lake City, Utah. The medical center is owned and operated by RHMC and the land for the hospital was donated by the Hollis Harris family.

Desert View Regional Medical Center is the largest Rural Development guaranteed business and industry loan to date, the first 24-hour acute care medical/surgical center in this community, and has created 140 new jobs.



September 1, 2005 - Check presentation at Desert View Regional Medical Center (left-right) Rick Didericksen, Zions First National Bank, Bill Martin, Nevada State Bank, Mark Stoddard, RHMC, United States Senator John Ensign (R-Nev.) and Larry Smith, State Director.

Business and Cooperative programs delivered \$18,088,432 to communities in Nevada during fiscal year 2005. Business programs work in partnership with the private sector and community-based organizations to provide financial assistance and business planning. Business programs finance projects that create or preserve quality jobs, promote clean rural energy, and help increase agriculture producer's share of the food and agriculture system. The financial resources of business programs are often leveraged with those of other public and private credit source lenders to meet business and credit needs in underserved areas. Recipients of these programs may include individuals, corporations, partnerships, co-operatives, public bodies, non-profit corporations, Native American tribes, and private companies.

USDA Rural Development lends funds to intermediaries, which in turn provide loans to finance business facilities and community development projects. Rural Nevada Development Corporation (RNDC), a non-profit organization focusing on economic development, was the recipient of an intermediary relending program (IRP) loan in the amount of \$500,000. RNDC has received five IRP loans totaling \$3,850,000 and has assisted 52 rural businesses with \$5,202,136 in loans.



Rural Development's rural business enterprise grant program offers grants to public bodies, non-profit corporations, and federally recognized Native American tribal groups to finance and facilitate development of small and emerging businesses located in rural areas. In partnership with the University Center for Economic Development at the

University of Nevada, Reno, rural business enterprise grant funding in the amount of \$88,432 provided for a feasibility study on a mobile slaughter unit for western Nevada livestock producers.

In fiscal year 2004, USDA Rural Development provided rural business enterprise grant funds for an economic feasibility study for a proposed Wild Horse and Burro Education Center in Moundhouse. The study was completed in fiscal year 2005 and shows a need for \$10 million investment to be financially feasible.



For more information about Business and Cooperative programs visit our website at [www.rurdev.usda.gov/nv](http://www.rurdev.usda.gov/nv) or contact Herb Shedd, Business and Cooperative Programs Director at 775-887-1222, ext. 19, Dan Johnson, Business and Cooperative Specialist and Renewable Energy Coordinator, 775-738-8468, ext. 112, or Gini Fleming, Business Programs Technician, 775-887-1222, ext. 24.

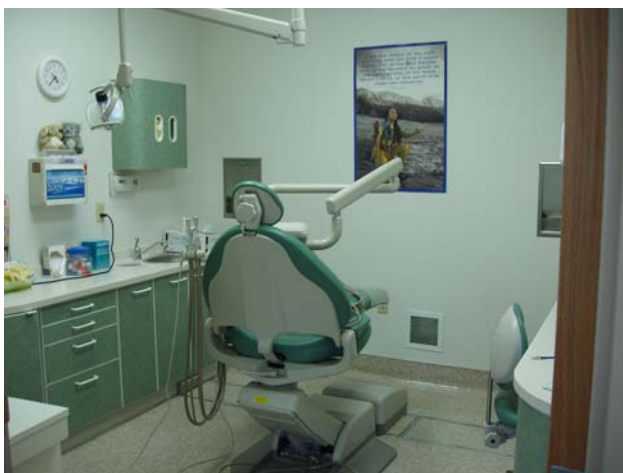


On April 1, 2005, Community Facility Programs responsibility was assumed by the Business and Cooperative staff. The combined total of dollars delivered for the last two quarters of the year was \$307,556.

Community facilities such as health care clinics, police and fire stations, schools and child care centers are essential to the quality of life in any rural community. Loans and guarantees are available to public entities such as municipalities, counties, special-purpose districts, as well as to non-profit corporations, faith-based and community-based organizations, and tribal governments. Loans may be used to construct, enlarge, or improve community facilities for health care, public safety, and public services in rural communities with a population of 20,000 or less. Community Facility grants assist communities that cannot qualify for a Community Facility loan.

### Communities assisted in 2005:

Lyon County - The Boys and Girls Club of Mason Valley - USDA Rural Development approved a community facility direct loan in the amount of \$275,000. The funds will be used to complete construction of a kitchen project and to refinance existing higher interest rate debt. The Club serves approximately 7,868 residents of Yerington, Mason Valley and the surrounding area. This project will create one full-time job and save three jobs.



Douglas County - USDA Rural Development approved a community facility grant in the amount of \$15,045 to the Washoe Tribe of Nevada and California. The funds will be used to purchase, install and equip one dental chair for the final vacant position in the dental clinic. The clinic serves approximately 1,521 residents of the Washoe Tribe.

In 2003, Rural Development approved a community facility guaranteed loan in the amount of \$780,000 to the Washoe Tribe of Nevada and California for the construction of the Washoe Tribal Health Clinic in Dresslerville. Rural Community Assistance Corporation, West Sacramento, CA was the guaranteed lender for the loan.

Nye County - Pahrump Senior Center, Inc. - USDA Rural Development approved community facility grant funds in the amount of \$17,151 to the Pahrump Senior Center. The funds will be used to purchase a 24-seat, fully accessible passenger van to transport elderly and disabled residents in the communities of Pahrump, Beatty, and Amargosa Valley. The van will be used to transport community residents to medical appointments, shopping, and the senior centers for meals and nutrition. Rural Development funds have been matched with \$65,000 from the Town of Pahrump.

For more information about Community Facility programs visit our website at [www.rurdev.usda.gov/nv](http://www.rurdev.usda.gov/nv) or contact Michelle Kelly, Area Specialist, 775-887-1222, ext. 20.

### Water and Environmental Programs

Water and Environmental programs provided funding in the amount of \$4,811,953 by means of loans and grants to assist six rural communities and 6,020 rural residents with water or wastewater improvements. These projects were leveraged with funds from our Federal, State and local communities in the amount of \$6,936,439.

USDA Rural Development also had on-going commitments with Nevada Rural Water Association and Rural Community Assistance Corporation to provide technical assistance to rural water and sewer operators and to assist communities with capital planning for infrastructure/community development purposes. Rural Development's commitments allow Nevada communities to receive the assistance from technical assistance providers at no cost.



Earth Day 2005 check presentation to Lovelock Meadows Water District. USDA Rural Development approved a \$1.6 million water and waste disposal loan to provide safe drinking water to 2,106 residents in the City of Lovelock, the Lovelock Paiute Tribe, and surrounding area.

**Communities assisted in 2005:** Elko County - USDA Rural Development approved a water and waste disposal loan in the amount of \$220,000 to the City of Wells to provide additional construction costs of a new well, storage tank and line looping. Escalating construction costs are impacting many infrastructure projects in Nevada.

Elko County - USDA Rural Development approved a solid waste management grant in the amount of \$62,700 to the City of West Wendover to provide solid waste management training, development of a solid waste master plan, institute a public awareness program, identify illegal dumpsites, and begin efforts to clean up illegal dumpsites.

Churchill County Sewer Project - USDA Rural Development approved a water and waste disposal grant in the amount of \$1,180,438 to construct a new sewage collection/treatment facility to serve the County residents near Fallon. This project will consolidate several small waste water systems that are non-compliant with Nevada Division of Environmental Protection standards. The system will serve 768 community residents.

Humboldt County - USDA Rural Development provided a water and waste predevelopment grant in the amount of \$15,000 to McDermitt Community Fund for a preliminary engineering report to assist the community in evaluating and recommending solutions to the wastewater collection system.

Humboldt County - USDA Rural Development approved a water and waste disposal loan and grant in the amount of \$309,040 to Golconda General Improvement District. The funds will be used to rehabilitate a spring for water supply, construct additional storage, loop lines and install fire hydrants for fire protection. Rural Development funding was leveraged with grants from Golconda Fire District and the State of Nevada Board of Financing Water Projects.

Lyon County - USDA Rural Development approved a water and waste loan and grant totaling \$1.5 million to replace the old and deteriorated sewer collection system and expand the waste water treatment facility for the rural community of Willowcreek. This project will bring the community into compliance with the Nevada Division of Environmental Protection and benefit 256 users with service connections.

### Distance Learning and Telemedicine (DLT) Programs

Two rural communities were selected as grant recipients to fund distance learning in their communities. Elko County School District received a distance learning grant in the amount of \$474,872 to be used to enhance distance learning capabilities by upgrading technology infrastructure and increasing bandwidth between hub site in Elko and the four end-user sites. This project will serve 1,475 students in Nevada. White Pine County School District received a distance learning grant in the amount of \$500,000 to acquire portable and studio state-of-the-art interactive video conferencing and video streaming equipment to establish a network between seven end-user sites and three hub sites. The project will serve over 1,000 students and residents as well as 1,200 inmates at Ely State Prison and Ely Conservation Camp.

### Broadband Access Loan and Loan Guarantee Program

USDA Rural Development approved a broadband loan in the amount of \$23,538,000 to Lincoln County Telephone Company, Inc. in 2005. The funds will be used to provide broadband service in all their exchanges plus two new exchanges; Coyote Springs, which is Lincoln County and also partially Clark County and Virgin River, which is north of Pioche.

For more information about USDA Rural Development Water and Environmental programs visit our website at [www.rurdev.usda.gov/nv](http://www.rurdev.usda.gov/nv) or contact Kay Vernatter, Community Programs Director, 775-887-1222; or Harry Hutson, General Field Representative, Utilities Programs, 623-535-5450 for information about broadband and telecommunications.



## USDA Rural Development Housing Programs

USDA Rural Development provided a total of \$12,155,933 through a wide variety of housing programs, including self-help housing, direct and guaranteed housing loans, repair and rehabilitation loans and grants, and multi-family housing. In 2005 Rural Development assisted 31 individuals and families in rural Nevada achieve the dream of home ownership.

Nevada Rural Development obligated the first two guaranteed rural rental housing loans in Nevada during 2005. Both properties utilized the interest credit provisions of the guaranteed loan, assistance from HOME funds, and equity from tax credits to keep mortgage payments, and thus rent, as low as possible.

Rural Development provided a 90 percent guarantee of a rural rental housing loan in the amount of \$2 million to Lahontan Springs Limited Partnership. The guaranteed lender for the loan is Bonneville Multi-Family, Salt Lake City, UT. Lahontan Springs Apartments is a 48-unit multi-family complex in Fernley, and is fully rented.

Rural Development provided a 90 percent guarantee of a rural rental housing loan in the amount of \$2.4 to Elko Pacific Associates. The lender for the guaranteed loan is Bonneville Multi-Family, Salt Lake City, UT. Quail Run is a proposed 60-unit multi-family complex in Elko. Construction is scheduled to begin in 2006.

Twenty-seven home owners were assisted with essential repairs to their homes through our repair and rehabilitation loan and grant program. One such recipient, an elderly owner of a single-wide manufactured home, needed several repairs that she could not afford. Rural Development funds provided a new bathroom floor, repaired kitchen cabinets, repaired the hallway ceiling, installed new front steps with a handrail, and replaced the front and back doors. Rural Nevada Development Corporation, a non-profit economic development organization, provided additional funding for new windows and screens.

Through the multi-family housing financed by USDA Rural Development, we were able to assist 46 individuals and families whose lives changed instantly by Hurricanes Katrina and Rita during the past year. These evacuees relocated to Nevada and moved into 23 multi-family apartments in communities as diverse as South Lake Tahoe, Laughlin, Fallon, and Battle Mountain.



Two new self-help housing developments are underway in southern Nevada. One in Mesquite and one in Pahrump. USDA Rural Development forms partnerships with non-profit housing developers to work together to bring the dream of home ownership to rural Nevada.

If you are interested in building your own home in Mesquite or Pahrump, contact USDA Rural Development's Las Vegas office at 702-262-9047, ext. 4.

For more information about USDA Rural Development programs visit our website at [www.rurdev.usda.gov/nv](http://www.rurdev.usda.gov/nv).



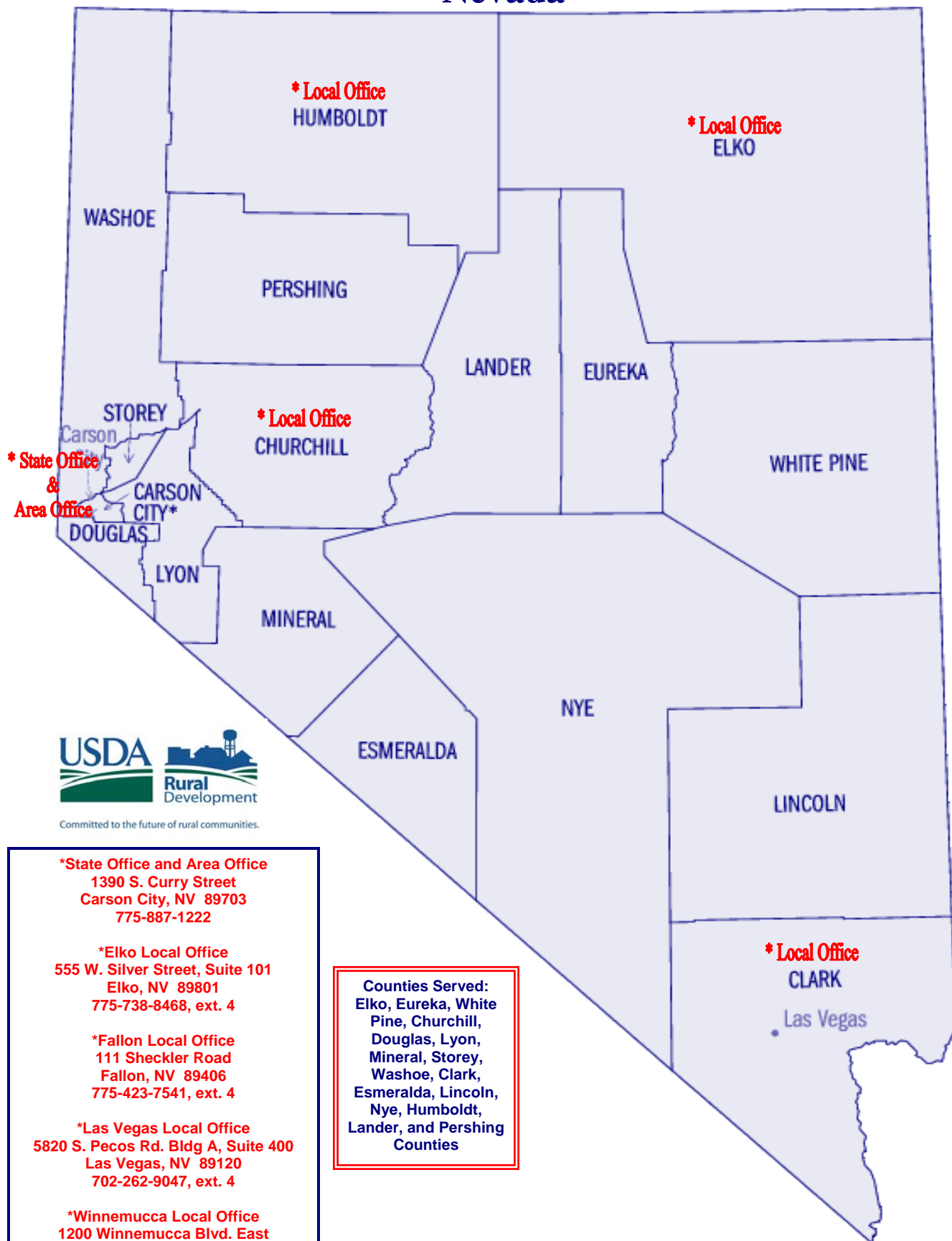
### Self-Help Housing Groundbreaking Mesquite, NV

Ty Tippetts, Executive Director, Color Country Community Housing, Inc. (CCCHI), Larry Smith, State Director, USDA Rural Development, Mayor Bill Nicholes, City of Mesquite, Susan Holcheck, City of Mesquite, Paulette Simpson, Regional Representative, U.S. Senator John Ensign's Las Vegas office, and Kathleen Rozner, Regional Representative, U.S. Senator Harry Reid's Las Vegas office

National Homeownership Month June 2005  
Self-Help Housing Groundbreaking  
Pahrump, NV  
(Speaker) Kay Vernatter, USDA Rural Development, (back left-right) Dave Richards, Town Manager, Town of Pahrump, and Natalia Sinclair, Citizens for Affordable Homes, Inc. (CAHI)

State Office, 775-887-1222, ext. 15; Area Office, 775-887-1222, ext. 20; Elko Local Office, 775-738-8468, ext. 4; Fallon Local Office, 775-423-7541, ext. 4; Las Vegas Local Office 702-262-9047, ext. 4; and Winnemucca Local Office, 775-623-4461, ext. 4.

# Nevada



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